



NUSTAY

Advertisement

INVITATION TO SUBSCRIBE FOR SHARES AND WARRANTS IN NUSTAY A/S

– shares and warrants will be settled by way of delivery of units –

Subscription period
10 - 24 March 2020

Important information

The following summary is not an offer but should be seen as an introduction to Nustay A/S' ("Nustay") prospectus and does not necessarily contain all information required in order to make an investment decision. Finanstilsynet's (Denmark's financial supervisory authority) approval of the prospectus should not be interpreted as an approval of the securities offered. The investor is advised to consult the prospectus, which is available on Nustay's website (www.nustay.com) before making a decision regarding an investment, in order to understand the potential risks associated with the decision to invest in the securities.

Nustay A/S, CVR.no 36090316.

www.nustay.com

Nustay provides an innovative booking platform offering the lowest possible hotel prices while also enhancing the customer's booking experience.

Nustay is a Danish online hotel booking platform that not only delivers customers the lowest possible hotel prices, but also, a smart, transparent, and personal booking experience. Nustay has set out an ambitious vision of becoming the global leader in online hotel bookings. Driven by this vision, Nustay has combined a vast hotel room inventory with a disruptively innovative pricing system that in many cases allows the company to offer lower prices than competitors.

Nustay is an Online Travel Agency (OTA) that delivers low prices on hotel bookings. Nustay differs from its competitors, by combining the best and most important aspects of existing online booking – a large hotel inventory, a great booking experience, and lower prices than its competitors. The core of the Nustay platform and the basis of the company's business idea is to sell hotel rooms at lower business-to-business (B2B) prices, to consumers (B2C). Therefore, moving away from how other OTA's operate, namely, entering deals with every hotel that is to be included on the platform, meaning that the OTA's offer the so-called Gross Price to its customers. The prices that B2B hotel suppliers offer hotel rooms at are generally between 20-70% lower than the previously mentioned Gross Rates. Nustay has entered agreements with B2B hotel suppliers which uniquely allows Nustay to offer hotel rooms priced for B2B to consumers. Nustay then adds its mark-up on the price, while keeping the final price for the customer lower than at the websites of its competitors.

The other key business aspect that differentiates Nustay from its competitors is the platforms' user-friendliness, which has been achieved by a best-in-class user interface, a reduction in the number of steps taken to complete a hotel booking, a transparent pricing & booking process, and the inclusion of a wide range of filters – for instance, proximity to shopping facilities, hotels especially suitable for families with children, etc. In addition, customers can also connect their social media accounts directly to Nustay which further facilitates signing up and logging in to the platform.

INVESTMENT HIGHLIGHTS

In 2019 Nustay's Board of Directors decided on a new strategic direction for the company. Since the implementation of the new strategy, the company has been in a 'turn-around' process, which has seen Nustay:

- **Increase the pace towards achieving profitability:** Since implementing the new strategy Nustay has seen many days with positive return on its marketing activities. In January Nustay also reported a new all-time high sales record of DKK 1,1 million during a 24-hour period.
- **Launch a brand new international platform, which includes new profit generating features:** Flight tickets, car rental, and airport transfer services have been added to Nustay's product offering. All three services are being offered through premium partnerships which help the company add to its top-line revenue with limited risk as well as enhancing the customer experience.
- **Take further steps towards a global best-in-class platform:** Nustay expects to launch a loyalty program, a mobile app, and increase its inventory through additional hotels and holiday homes on its platform which is already globally scalable and highly customizable with localized content using cutting-edge frontend- and backend technologies.
- **Scale its talented team:** Changes in the Board of Directors and Management were made towards the end of 2019. Nustay's team consists of almost 200 people who all share and are committed to the common goal of taking Nustay towards long-term profitability.
- **Continue positioning its market share within the OTA industry:** The combined global industry value for hotel bookings is today valued at approx. DKK 3,485 billion of which approx. DKK 1,453 billion comes from online bookings.

“We are convinced of Nustay’s huge potential, and we are certain that the capital injection received from the imminent issue will enable Nustay to evolve the business towards long-term stability and profitability.”



COMMENTS FROM THE CEO

Over the past year, particularly since Nustay’s IPO in March 2019, the company has transitioned from a development phase to a growth phase. Although this transition has at times been challenging it has also been an incredibly useful learning experience for the company. In fact, it is from this transition that the Board of Directors and Management team decided on implementing a new strategy which triggered, amongst other things, an upping in pace towards achieving profitability and a positive return on marketing activities. In January 2020 we were also able to report a new all-time high sales record of DKK 1,1 million in a single day, which significantly exceeds the previous sales record. It is our target to reach profitability by the end of 2020 while becoming cash flow positive by Q3 2020.

In the beginning of 2020, we finalized the rollout of our new international platform, a process which has been ongoing since the last quarter of 2019. This means we can now better access some very large markets, such as Argentina, Brazil, Japan, and Mexico. Moreover, the new website includes several new profit-making features, including flight-tickets, car rental, and airport transfer services. In connection with the launch, we have seen positive trends across all major KPIs: conversion rate improvements, reductions in bounce rates and site speed improvements – positive measurements that will see our business moving to longer-term stability and profitability.

During the final quarter of 2019, several changes were also made to Nustay’s Board and Management team. A fresh, creative and innovative team has now been established which shares a common and committed goal of growing Nustay’s platform towards long-term profitability.

All in all, we are in a clear positive trend and in a great position to complete our turn-around. To secure this path towards profitability, and to ensure that Nustay attains our ambitious goals, we are now carrying out long-term financing through a rights issue of units. We are convinced of Nustay’s huge potential, and we are confident that the capital injection received from the imminent issue can enable Nustay to evolve the business towards long-term stability and profitability.

Mathias Lundø Nielsen
CEO & Founder, Nustay

OFFER IN BRIEF

Subscription period:

10 - 24 March 2020.

Record date and pre-emptive subscription right:

The record date was March 9th, 2020. Anyone who held shares in Nustay on the record date has a pre-emptive right to subscribe in the issue. For each existing share, one (1) pre-emptive subscription right is obtained. Three (3) pre-emptive subscription rights entitle to subscription of five (5) new shares and three (3) warrants. If a holder of three (3) pre-emptive subscription rights have exercised such right and subscribed for new shares and warrants during the subscription period, the investor's subscription will be settled by way of delivery of one (1) Unit to the investor's account with VP Securities A/S.

Subscription price:

DKK 4.5 per unit (corresponding to DKK 0.90 per share). The warrants are issued free of payment.

Issue volume:

The offer comprises a **maximum of 30,367,775 shares and a maximum of 18,220,665 warrants**, corresponding to approximately **DKK 27.3 million and DKK 22.8 million**, respectively. If the issue is fully subscribed and all associated warrants are exercised, Nustay will receive a capital injection totaling approximately **DKK 50.1 million** before issuance costs and conversion of bridge loans to units.

CONDITIONS FOR THE WARRANTS

Exercise period:

27 August - 10 September 2020.

Exercise price:

The holding of one (1) warrant entitles to the subscription of one (1) new share in Nustay at an exercise price of **DKK 1.25 per share**.

Issue volume:

If the issue of units is fully subscribed, **18,220,665 warrants** will be issued. If all warrants are exercised, Nustay will receive an injection totaling approximately **DKK 22.8 million** before issue costs.



COMPANY TARGETS

The overall purpose of the rights issue is to finance the long-term development of the business towards the goal of reaching profitability. The overall objective of the capitalization is to finance further growth, rebuild the cash-buffer, and repay the Company's outstanding debt in order for Nustay to reach the ambitious targets set out below:

2020

- Q1 • TripAdvisor global launch;
• NustayPRO launch (dedicated B2B distribution business unit);
- Q2 • Launch of an app for iOS, Android;
• Launch of the loyalty program;
• Kayak global launch;
• Trivago global launch;
• Positive marketing contribution.
• Monthly handled revenue above DKK 40 million.
- Q3 • Cash-flow positive.
- Q4 • NET profitable (EBITDA profitable).

2021

- Q2 • Monthly handled revenue above DKK 100 million.

2021 *and forward*

During the first years after the listing at Spotlight Stock Market, the company will primarily focus on its growth. After this point in time, the focus will gradually shift towards building Nustay's long-term market position within the OTA market.